



Basis Points – January 21, 2021

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Above the Fold

Retirement Account Behavior Suggests (Potential) Financial Resilience

The original CARES stimulus act, passed in March 2020, allowed consumers to take up to \$100,000 from their retirement accounts without penalty and even spread the taxes on those distributions over a three-year period to ease financial burdens. The withdrawals had to occur before Dec. 31, 2020 to be eligible.

Despite what seemed like an attractive, viable option for many, The Wall Street Journal recently reported that it wasn't a popular choice for most. Fidelity Investments, the nation's largest 401(k) provider, reported that just 6.3% of eligible investors took some money out of their retirement accounts, with only 1% taking the traditional existing hardship option. Vanguard reported that 5.7%

of eligible participants took penalty-free withdrawals (pandemic-related) and 1.7% fell under the traditional hardship distribution, which is also penalty-free. For reference, roughly 2% of annual 401(k) withdrawals fall under the hardship exemption.

While the data suggests that a large number of Americans could be in less dire financial positions, it's important to mention that part-time workers, gig economy workers and small business owners may not have access to a 401(k) or enough leftover capital to fund an IRA.

Three Things

1. *Twitter Zeros Out Biden, White House* – As previously promised, Twitter wiped out all followers of the @POTUS and @Whitehouse accounts yesterday. Anyone who was previously subscribed to either will have to “re-follow” those accounts to get live updates from the new president and the White House. Twitter will also refresh followers for @VP, @FLOTUS, @PressSec, @Cabinet and @LaCasaBlanca.
2. *The “Brave” New World of the Internet* – A (sort of) new technology called [IPFS](#) (InterPlanetary File System) could begin replacing traditional “HTTP” servers. Instead of your browser going to one server’s address to get data, IPFS can access the information across a myriad of points called “nodes.” This new format would add speed, dependency and lower server costs, among other things. One browser company called “[Brave](#),” is already starting to implement IPFS and could help jumpstart a larger adoption.
3. *Your Computer Could Lower Your Heating Bill* – High-powered computers give off some serious heat. Gaming systems, those used to mine Bitcoins, and other high-end machines can run at extremely high temperatures, and cooling them is often a unique problem. But according to The Wall Street Journal, users are rethinking their setups and using their systems to heat their living spaces. Even KFC (yes, Kentucky Fried Chicken) has thought about ways to harness processor heat by co-developing a computer with a compartment to keep chicken warm.

Did You Know?

The Chaos You Didn't See Yesterday...

Since 1953, inauguration day has also been a simultaneous moving day for both presidents and their families. Beginning at 10:30 a.m., and over the course of just six hours, the White House is completely cleaned, reconfigured and fully redecorated to fit the needs of the incoming first family. The monumental transition requires the work of hundreds and is carried out with military precision. An army of trucks and movers are typically lined in a caravan in the rear of the building while the former president exits, moving old items out and new ones in.

It's been reported that even the cooks and pot washers are on deck to help transform living space in such short order. Works of art, furnishings, rugs, curtains and more from previous administrations are kept in a giant warehouse where designers pre-select certain objects or bring new ones in, while carpenters, electricians and engineers ensure the beauty and safety of the new decor.

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